

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 06/15/2012
POSITION: Oppose

BILL NUMBER: SB 1468
AUTHOR: Calderon, Ron

BILL SUMMARY: Fireworks

Existing law authorizes the Office of the State Fire Marshal (OSFM) to annually permit a retailer to sell safe and sane fireworks from July 28 to July 6.

The bill would require the OSFM to develop a plan to collect and analyze data relating to the sale of fireworks and related fire, injury, and disposal issues surrounding both the 4th of July and New Year's Eve periods. To the extent that voluntary contributions and grants are available, the bill would require implementation of the data collection program and authorize the OSFM to permit a retailer to sell fireworks from December 26 through January 1, beginning in 2014. The bill would sunset January 15, 2016.

FISCAL SUMMARY

The bill would create the Fireworks Special Data Collection Fund, which could receive revenues from voluntary contributions from the fireworks industry or federal and private grants. However, the extent and amount of revenue that would come into the fund is not known at this time. The cost to implement the fireworks data collection program is also unknown, but if the fund does not receive sufficient funding to implement the program, firework sales for New Year's Eve would remain prohibited. If there is sufficient funding to implement the program and sales occur, the OSFM would incur costs for confiscation, storage, and destruction of illegal fireworks that could come into the state during the January sale period. These costs would be borne by the General Fund. Furthermore, by allowing an additional annual sale period for fireworks beyond the 4th of July sales, the Department of Forestry and Fire Protection (CAL FIRE), as well as local fire districts, could have an increase in fire suppression costs throughout the new sale period. For CAL FIRE, these additional costs would also be borne from the General Fund.

To the extent that a city, county, or district has adopted an ordinance or resolution for the sale of fireworks, the local entity would be responsible for inspection of retail firework stands, public education of proper firework use, and suppression of any fires directly related to the use of safe and sane fireworks. The bill would allow local governments to charge an administrative fee, not to exceed 7 percent of gross sales. Any additional costs incurred by local governments related to enforcing the provisions related to the sale and use of fireworks would not result in a reimbursable state mandate because the mandate only involves the definition of a crime or the penalty for conviction of a crime.

COMMENTS

The Department of Finance (Finance) is opposed to the bill. While the bill would allow January firework sales only if the OSFM were to collect sufficient funding to cover the costs incurred to implement a fireworks special data collection program, any other costs associated with the additional firework sale period would result in a General Fund pressure. The other costs could include confiscation, storage, and destruction of illegal fireworks that come into the state during the new sale period and any associated increase in CAL FIRE fire suppression.

Analyst (0634) John Silva	Date	Program Budget Manager Karen Finn	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

AUTHOR

AMENDMENT DATE

BILL NUMBER

Calderon, Ron

06/15/2012

SB 1468

COMMENTS (continued)

The bill would require the OSFM to develop a plan to collect and analyze data relating to the sale of fireworks and related fire, injury, and disposal issues surrounding both the 4th of July and New Year's Eve periods. The bill would allow the OSFM to receive voluntary contributions and federal grants in an effort to cover the costs of developing and implementing the required plan. The bill would allow fireworks to be sold only if adequate funding is received by December 31 of the previous year to implement the data collection program. By requiring the appropriate funding a year in advance, the OSFM would have sufficient time to accrue required data and identify which areas of the state should be prohibited from allowing safe and sane firework sales before the sale of fireworks during the New Year's Eve period begins. This should result in fewer firework related suppression activities because fireworks could be prohibited in high-risk areas.

Code/Department	SO	(Fiscal Impact by Fiscal Year)				
Agency or Revenue	LA	(Dollars in Thousands)				
Type	CO	PROP				Fund
	RV	98	FC	2012-2013	2013-2014	2014-2015
				FC	FC	Code
1257/Othr Reg Lic	RV	No		-----	Unknown Additional Fee Revenue	-----
3540/Forest&Fire	SO	No		-----	Unknown General Fund Cost Pressures	-----
3540/Forest&Fire	SO	No		-----	Unknown costs for program activities	-----
<u>Fund Code</u>	<u>Title</u>					
0001	General Fund					
0499	Pending New Special Funds					